

sales and legal, at Circuit City prior to submission to DIRECTV. All schedules and timelines as outlined in this Schedule 3.4 shall begin upon confirmed receipt of such electronic transmission.

3. DIRECTV will manage 100% of internal approvals through the Account Coordinator (A.C.):
- A.C. will prepare internal DIRECTV paperwork (C.W.O.), attach ad and submit for appropriate routing approvals, and;
  - DIRECTV will assign an internal tracking number and route advertisement to the following departments for approval – DIRECTV Brand Management, DIRECTV Legal, DIRECTV Advertising, DIRECTV Marketing, and programmer if appropriate (HBO, STARZ, SHOWTIME, NFL, etc.)
  - A.C., will compile feedback and e-mail and/or schedule phone conference to deliver feedback to Circuit City

#### **FINAL DIRECTV APPROVALS/SECOND REVIEWS**

Circuit City will use commercially reasonable efforts to accept 100% of DIRECTV's requested revisions, provided that such revisions are relating to legal compliance (including contractual requirements and third party requirements such as programming providers) and not creative content. Assuming 100% of edits are included and no additional changes are incorporated into the materials, Circuit City will send DIRECTV a final copy of the advertisement. **THIS COPY IS NOT FOR APPROVAL. IT IS FINAL AND APPROVED. IF ANY ADDITIONAL CHANGES ARE INCORPORATED INTO THE MATERIALS, CIRCUIT CITY SHALL RESUBMIT SUCH MATERIALS FOR DIRECTV'S APPROVAL.**

Should additional changes be requested by DIRECTV after the first review and wherein Circuit City has made 100% of requested revisions and no additional changes have been incorporated into the materials by Circuit City, Circuit City shall use its commercially reasonable efforts to honor DIRECTV's request for additional changes.

#### **Contact Procedure**

If Circuit City has issues and/or questions relative to any DIRECTV change, a phone conference between Circuit City Brand Management and DIRECTV Account Team may occur at which time the questions will be addressed. If resolution requires internal discussion by either or both parties, the parties shall use its commercially reasonable efforts to provide a response/feedback within twenty-four (24) hours. In the rare event that both sides cannot work through normal channels (as described above) to reach closure and agreement, the authorized representative or a designee for each company shall connect to discuss and resolve any issues between the parties.

In all cases where Circuit City does not incorporate 100% of the requested legal compliance (including contractual requirements and third party requirements such as programming providers) changes from DIRECTV and once agreement is reached, DIRECTV will receive via facsimile or electronic transmission for a second and final approval. DIRECTV will use its commercially reasonable efforts to review such revised materials and provide its approval or disapproval of the same within twenty-four (24) hours of receipt of materials.

#### **Form of DIRECTV Approval**

DIRECTV approval consists of one or both of the following:

- Email approval from an authorized representative of DIRECTV;
- Signed and returned (via facsimile and/or overnight mail) by DIRECTV Account Executive or another authorized representative of DIRECTV.

For purposes of this Approval Process, facsimile copies or electronic transmissions are deemed to be acceptable if and only if they are clearly legible and accessible to the recipient.

SCHEDULE 3.5(i)

CREDIT POLICY

A. Credit Scoring Process.

1. For any new prospective DIRECTV customers (the "Prospective Customers"), Circuit City shall submit information to DIRECTV through DIRECTV's retailer website (the "Retailer Website") or through other means as directed by DIRECTV from time to time (the "Alternative Method") to enable DIRECTV to credit score each Prospective Customer through the use of DIRECTV's proprietary credit tools (the "Credit Tools"). In order to enable DIRECTV to credit score a Prospective Customer, Circuit City shall obtain the following information from the Prospective Customer (collectively, the "Customer Information"):

- a. Name;
- b. Home Address;
- c. Home Telephone Number;
- d. Social Security Number; and
- e. Prospective Customer's consent to have DIRECTV credit score.

Circuit City shall advise the Prospective Customer that the credit scoring is conducted on behalf of DIRECTV, Inc., 2230 E. Imperial Highway, El Segundo, California 90245, in connection with the provision of DIRECTV's programming services.

2. Upon receipt of the Customer Information, Circuit City shall populate the appropriate fields with the Customer Information in the Retailer Website or the Alternative Method, as applicable, and submit the information through the Credit Tools. Based on the Customer Information, DIRECTV's proprietary Credit Tool will return either (a) an approval for no fee payment to DIRECTV or (b) a requirement of a fee payment as described below by a Prospective Customer (i.e., generally failing to meet DIRECTV's required credit score). For purposes of credit scoring, those Prospective Customers who will be required to make a fee payment shall also include those (x) who refuse to be credit scored; (y) who refuse to provide any portion of the Customer Information to enable DIRECTV to credit score or (z) who may not be credit scored/checked due to a variety of reasons (e.g., unable to verify the Customer Information, credit is "frozen" by the customer, etc.), excluding any systems issues related to the Credit Tools.

- B. Prospective Customers Approved for No Fee Payment. With respect to those Prospective Customers who were approved through DIRECTV's Credit Tools, Circuit City may continue with its DIRECTV Receiver transaction in its normal and customary manner and practices (i.e., "business as usual").

C. Prospective Customers Fee Payment Required.

1. With respect to those Prospective Customers who are required to make a fee payment to DIRECTV based upon the credit score generated by DIRECTV's proprietary Credit Tools, Circuit City shall:
  - (a) Advise the Prospective Customer of his/her fee payment requirement;
  - (b) Advise the Prospective Customer that a fee payment in the amount of \$200 (if the lease only includes the standard/basic DIRECTV Systems), \$300 (if the lease includes a DIRECTV DVR, DIRECTV HD, DIRECTV HD/DVR or other DIRECTV

- Receivers as designated by DIRECTV), or such other amounts and the time periods as designated by DIRECTV in writing from time to time (the "Fee Payment");
- (c) Provide any information, written, oral or otherwise, as designated by DIRECTV regarding the terms and conditions of the Fee Payment, including any materials which must be provided to each Prospective Customer in accordance with all applicable laws.
- (d) If the Prospective Customer desires to proceed with the DIRECTV System transaction, assess and collect the applicable Fee Payment.
- (e) Establish an Order (i.e., a pending account) for the Prospective Customer based upon the Customer Information, or if different, use other/additional information provided by the Prospective Customer (e.g., different billing/mailling address, different telephone number, etc.).
- (f) Upon establishment of an Order, provide the pending account number to the Prospective Customer.
- (g) Advise the Prospective Customer to maintain and utilize the pending account number when activating his/her DIRECTV service following installation.
- (h) Advise the Prospective Customer that he/she qualifies for an offer from DIRECTV for those Prospective Customers required to make a Fee Payment (the "Special Offer"). The Special Offer will be an offer in which the Prospective Customer will receive a \$5 programming discount on his/her DIRECTV account for each month that he/she maintains and pays for qualifying DIRECTV Programming Package (i.e., maintains his/her account in "good standing") up to (i) 40 months for a customer only leasing standard/basic DIRECTV System and (ii) 60 months for a customer leasing any advanced-type DIRECTV Receiver. If the Prospective Customer disconnects, terminates, cancels or suspends his/her DIRECTV account (i.e., the Customer does not maintain continuous service), the programming discount is cancelled and cannot be reinstated. DIRECTV reserves the right to change or discontinue making a Special Offer to Prospective Customers required to make a Fee Payment at any time upon written notice to Circuit City, and DIRECTV will use its commercially reasonable efforts to provide Circuit City no less than thirty (30) days notice of any changes or discontinuation of the Special Offer.
2. In connection with any Qualifying Subscribers who makes a Fee Payment, there will be no changes to the chargeback amounts or the rules associated with the Programming Compensation.
3. To the extent that Circuit City has collected the Fee Payment, DIRECTV shall offset the amount of Fee Payment against any Compensation payable to Circuit City. By way of example, if Circuit City was required to collect \$200 for a Prospective Customer, DIRECTV reserves the right to offset the \$200 against Compensation payable to Circuit City.

D. Other Terms and Conditions.

1. Circuit City shall only use the Credit Tools as permitted by DIRECTV herein. Circuit City is not authorized to utilize the Credit Tools for any other purpose whatsoever, including conducting credit checks on Prospective Customers or any other customers' purchase of any other products or services (e.g., television sets, home theater systems, etc.).
2. Circuit City shall not use, utilize, disclose, sell, market, divulge or disseminate the Customer Information, in whole or in part, except as otherwise permitted by the Prospective Customer or DIRECTV, for the purposes designated or directed by the Prospective Customer or DIRECTV. Notwithstanding the above, Circuit City may use the Customer Information in accordance with its usual and customary business practices to the extent that he/she may be a customer of Circuit City.

Deleted:

3. Circuit City shall not mislead, deceive, misrepresent or otherwise misinform the Prospective Customers regarding the results of the credit check or any other information related to the matters described in C.1 above.
4. Circuit City shall comply with any and all applicable laws in connection with this Credit Policy process, to the extent that the process described herein complies with all applicable laws.
5. Circuit City agrees to indemnify and hold harmless DIRECTV, Equifax, any other credit reporting bureaus utilized by DIRECTV and any other third parties providing services to DIRECTV in connection with the Credit Policy process, and their respective parents, subsidiaries, affiliates, members, directors, officers, employees, agents, contractors, successors and assigns from and against any and all actions, claims, liabilities, damages, costs, losses, judgments, fee and/or expenses (including reasonable attorneys' fees) caused by, arising out of, in connection with or resulting from any breach or alleged breach of Circuit City's representation, warranty, covenant or obligations in connection with the Credit Policy or Circuit City's gross negligence or willful misconduct in application of DIRECTV's Credit Policy process described herein.

SCHEDULE 3.5 (ii)

TELEMARKETING POLICY

Statement for Independent Retailers Regarding DIRECTV's Policies  
Relating to Internet Marketing, Telemarketing and Home Solicitation

Today's technology provides a variety of methods for marketing to consumers, many of which may be used effectively to produce sales. However, several of these methods present particular risks and concerns which are the subject of this Policy Statement. In addition, virtually every method of marketing is subjected to a variety of state and federal laws - ranging from laws protecting consumers from unfair and deceptive practices to home solicitation laws. A general overview of these types of laws is also provided; it is your responsibility to determine which specific law are applicable to your activities. Please review this Policy Statement carefully. You are expected to know and comply with all marketing laws applicable to your activities.

The retailer agreement, or "Sales Agency" agreement (the "Agreement") you have with DIRECTV creates an independent contractor relationship due to the fact that DIRECTV does not have control over how you run your business. However, your Agreement requires that you conduct your activities in a manner that will not impugn DIRECTV's reputation and goodwill, and that you comply with all applicable laws and DIRECTV policies.

DIRECTV's policy is to adhere to all laws relating to marketing activities. Each retailer is responsible for making sure that its own marketing activities conform to the law. The purpose of this Policy Statement is to alert you to the existence of certain types of marketing laws and DIRECTV's policies in regards to certain marketing activities. You must take all steps necessary to tailor your marketing efforts to conform to the law and DIRECTV's policies. DIRECTV maintains the right to immediately terminate its Agreement with any retailer that DIRECTV believes, in its sole discretion, may have breached the Agreement, violated DIRECTV's policies, or otherwise engaged in illegal, objectionable, inappropriate, or otherwise forbidden marketing activities. DIRECTV will also immediately terminate the Agreement of any retailer found to have made misrepresentations to DIRECTV about its marketing activities.

**The information provided in this Policy Statement is in summary form only and is not intended to provide legal advice or counsel. Legal requirements differ from jurisdiction to jurisdiction, and are constantly evolving. Therefore, it is imperative that you consult your legal counsel for full details on the requirements of all applicable marketing laws and regulations before undertaking any marketing campaign.**

*I. Telemarketing*

The federal Telephone Consumer Protection Act, 47 U.S.C. § 227 et. seq., ("TCPA") places restrictions on the use of telephone equipment to market or promote products and services. Numerous states have adopted statutes modeled after or more restrictive than the TCPA, each with its own penalty scheme. Another related and significant regulatory regime in this area is the Telemarketing and Consumer Fraud Prevention Act, 15 U.S.C. § 6101 et. seq., as implemented by the Federal Trade Commission in the Telemarketing Sales Rule, 16 CFR Part 310 ("TSR"). In 2003, the FTC and FCC established and began enforcement of a National Do Not Call Registry. Many states also have their own Do Not Call Registries, as well as telemarketer registration and fee requirements.

The potential penalties for violating these laws are serious. For example, the government can impose \$11,000.00 in penalties "for each such violation" of the TCPA or the Telemarketing Sales Rule. In addition, under the TCPA, consumers can bring private rights of action to seek the greater of actual damages or \$500, which can be trebled to \$1500 by the Court if the conduct is deemed willful. Because of the myriad of laws making compliance difficult, as well as the penalties and loss of reputation and goodwill associated with non-compliance, DIRECTV does not provide discretionary marketing funds for use in connection with outbound telemarketing solicitations.

Following are DIRECTV's specific policies and guidelines regarding particular forms of outbound telemarketing:

*A. Facsimile advertising.*

Facsimile advertising is a form of outbound telemarketing solicitation that is expressly disapproved of for ANY use in advertising "DIRECTV" branded products and services. In addition, it is considered a violation of this Policy Statement for any independent retailer to use facsimile advertising in connection with any "satellite television" product if such advertisement is likely to lead to consumer confusion and the mistaken belief that such advertising relates to DIRECTV-brand products or services.

*B. Pre-recorded messages.*

Pre-recorded message advertising is also a form of outbound telemarketing solicitation that is expressly disapproved of for ANY use in advertising "DIRECTV" branded products and services. In addition, it is considered a violation of this Policy Statement for any independent retailer to use pre-recorded message advertising in connection with any "satellite television" product if such advertisement is likely to lead to consumer confusion and the mistaken belief that such advertising relates to DIRECTV-brand products or services.

*C. Outbound unsolicited telephone calls by live operators ("cold calling").*

Using live operators to place unsolicited (no applicable existing business relationship) outbound telemarketing calls, sometimes also referred to as "cold calls," is expressly disapproved of for ANY use in advertising "DIRECTV" branded products and services. In addition, it is considered a violation of this Policy Statement for any independent retailer to place such calls in connection with any "satellite television" product if such advertisement is likely to lead to consumer confusion and the mistaken belief that such advertising relates to DIRECTV-brand products or services.

*D. Returning Calls to Prospective Customers who have made a "qualified" inquiry, and calls to existing customers*

*i. Inquiries from prospective customers.* Retailers may generally make or return telephone calls to prospective customers who initiate contact with them to inquire about DIRECTV products and services, notwithstanding the consumer's registration in the federal Do Not Call registry or similar state registries. Current federal law permits an outbound telemarketing call to a consumer if the consumer has made an inquiry within the past 90 days regarding a product or service offered by the retailer, unless the consumer has previously asked to be placed on the retailer's internal Do Not Call list. State laws may impose more restrictive time frames or even prohibit return calls to consumers on their state Do Not Call registries altogether, so obtaining advice of counsel regarding the laws in the jurisdictions within which you plan to operate is imperative.

You must have a written Do Not Call policy, train your operators on the policy, provide it upon a consumer request, and timely honor all requests to be placed on your internal Do Not Call list. You must

scrub against your internal list (and more restrictive state lists) before making return calls to consumers who have made an inquiry.

Typically, in order to qualify for an "inquiry" exemption to Do-Not-Call registries, the inquiry by the consumer must be made to you, the actual retailer, and not to a third party marketer or lead generator (unless that generator clearly and conspicuously identifies you and that it is acting on your behalf). The inquiry must also be specific to DIRECTV products or services, not simply, for example, a general consent to receive more information about "electronic products" or "satellite systems."

**DIRECTV's policy requires that return calls be made by a live operator – no pre-recorded messages, including "Press 1" or other approaches should be used. Any other method could result in violation of the law.**

There are several key aspects to remember when claiming "inquiry" call exemptions to the TSR or state laws:

- Time frames in which calls can be returned must be strictly obeyed, both in terms of overall call return period (as noted, federal law permits return calls within 90 days of inquiry, but state laws may be more restrictive) and hour and holiday restrictions (e.g., no calls before 8 AM or on holidays). You must consult with legal counsel to ensure compliance in every state to which you return calls to inquiring consumers.
- Consumer inquiries to third parties do not create an exemption unless, in the process of obtaining the lead, the affiliate clearly and conspicuously discloses that the consumer will receive a call from you, the actual retailer/seller.
- That is true even as to subsidiaries and affiliated companies. Consumer inquiries to your subsidiary or affiliate do not provide you an exemption to call the consumer back, unless, the consumer would reasonably expect you to respond to the inquiry. Vice versa is true as well. Your subsidiaries and affiliates cannot return calls to consumers who make an inquiry to you, unless, the consumer would reasonably expect the subsidiary or affiliate to call. And finally, such permissible return calls must involve the product the consumer originally inquired about.
- **Remember:** DIRECTV's approval is required if you plan on using a third party to generate leads, and under no circumstance should you call a consumer whose name and phone number was provided by a lead generator unless the consumer is aware of your identity and you can prove the consumer consented to receiving a call from you, as the actual retailer/seller, about DIRECTV products or services.
- The burden is on you to maintain records and documents to "prove that an inquiry was made by the consumer." This is not only a DIRECTV policy requirement, but a legal requirement. You should never place a return call to a consumer unless you have proof that the consumer made an inquiry and consented to receiving calls from you. You must provide such proof upon the request of DIRECTV or any regulatory enforcement agency.

*ii. Calls made to a consumer where there is an existing prior business relationship which includes a financial transaction.* Under federal law, you may also call consumers who have engaged in a financial transaction with you within the past 18 months prior to the telemarketing call. Again, however, some states may have stricter laws and it is incumbent upon you to consult with counsel to ensure compliance in every jurisdiction in which you plan to make such calls. Further, as with the consumer inquiry exemption described above, the following restrictions apply:



- This exemption does not apply if the consumer has asked to be placed on your internal Do Not Call list.
- This exemption does not apply to your affiliates or subsidiaries, as described above.
- The burden is on you to maintain documents and records in order to establish that the exemption exists. These documents proving the relationship must be produced upon the request of DIRECTV or any regulatory enforcement agency.
- State laws may be more restrictive, so you must consult with local counsel to determine whether or not existing business relationship telemarketing calls can be made to consumers in particular states.

E. *General Telemarketing Requirements*

In addition to the national database Do Not Call provisions, the Telemarketing Sales Rule also sets forth significant requirements which must be complied with when engaging in any type of telemarketing (including calls made in response to a consumer's inquiry or to customers with whom you have an existing business relationship). Similar requirements also exist at the state level. At a minimum, independent retailers engaging in any type of telemarketing sales call must comply with the following requirements:

- Immediate disclosure. You must immediately and promptly disclose at the beginning of the call your identity, the purpose of the call, the nature of products being sold and certain disclosures concerning prize promotion or sweepstakes.
- Calling time restrictions – you can generally only make calls between 8:00 a.m. and 9:00 p.m. in the consumer's time zone. Some states have more restrictive time restrictions.
- Maintenance of internal Do Not Call policies – all retailers who call consumers must maintain a written Do Not Call policy and train all employees about that policy. Further, upon request, a copy of the written policy must be sent to any consumer requesting the same. Lastly, you must maintain and scrub against your internal Do Not Call list and place consumers on that list immediately after receiving the request.
- Additional disclosures. Prior to the conclusion of the call, you must disclose the total cost including shipping and handling charges of any product purchased, all material conditions of the sale including any material limitations on free equipment or installation offers (such as any DIRECTV requirement to maintain a certain level of service for a specified period of time) and certain additional disclosures regarding any prize promotions.
- Record Keeping Requirements. In addition to maintaining records concerning any claimed exemption from a Do Not Call registry, you are also required to maintain other records concerning the telemarketing sale of products or services, including copies of all advertisements and promotional materials, sales and prize records, and certain contact information concerning telemarketing employees.
- Bonding and Registration Requirements: Some states require telemarketers to be registered and/or provide a bond. You must consult with counsel to determine whether or not these requirements are triggered by your intended activities.

- Miscellaneous requirements: you may not engage in threats of intimidation, repetitive and annoying calls, or make false and misleading statements.

## **II. No Third Party Solicitors/Marketing Agents**

Your Agreement with DIRECTV does not allow the use of third parties to solicit sales absent express written approval of DIRECTV. Approval must be given by both the Regional Vice President/Senior Director and Senior Vice President – Sales. No other employee is authorized to provide approval, written or otherwise. Thus, you are not authorized to use any agent, independent contractor or any other third party to conduct marketing campaigns as addressed in this Policy Statement. In the event that DIRECTV suspects you are using a third party to telemarket, email, conduct home solicitations, or any other similar form of marketing, DIRECTV may immediately terminate your Agreement.

## **III. Internet Marketing**

### **A. E-Mail**

A federal law (The Can Spam Act), effective January 1, 2004, places numerous restrictions on e-mail marketing messages that companies may send to users. The Can Spam Act creates tough penalties such as criminal sanctions with up to 5-year jail sentences and fines including statutory damages of up to \$2 million per incident (trebled to \$6 million for knowing violations). The law prohibits deceptive practices that mislead consumers, such as using misleading subject lines or headers, masking the marketer's identity in the reply address, or falsifying registration information. This federal law pre-empts most state laws related to e-mail regulation, but you need to check with counsel to ensure no additional state requirements apply.

DIRECTV does not engage in nor does it condone illegal e-mail marketing, sometimes referred to as "spamming." Accordingly, DIRECTV will not tolerate spamming from independent retailers. Your Agreement requires you to comply with all applicable laws, and also requires that in all of your activities as an independent contractor for DIRECTV, as well as in your separate equipment business, you engage in no practice which impugns DIRECTV's commercial reputation and goodwill. Spamming not only may result in the violation of laws, but also reflects poorly on the DIRECTV-brand name.

If you choose to market via e-mail, you are responsible for adopting and adhering to policies and procedures that will prevent illegal spamming. You need to speak with your legal counsel to ensure compliance with the law, but at a minimum, your policies should address the following: E-mail messages containing advertisements are required to include a clear and conspicuous identification that the message is an advertisement or solicitation. Further, the law prohibits misleading practices such as using misleading subject lines or headers, masking the marketer's identity in the reply address, or falsifying registration information. Messages must also include a clear and conspicuous notice that recipients can "opt-out" of receiving future messages, and the message itself must include an immediate opt-out mechanism – either a functioning return address or an automated opt-out method. The opt-out mechanism must work for at least 30 days after the e-mail was sent. The sender has 10 days to remove an opt-out from its marketing list. Messages must further contain a valid physical postal address. Harvesting of e-mail addresses on the Internet or randomly generating electronic mail addresses by computer is strictly prohibited. Harvesting activities constitute aggravated violations which may result in trebled fines.

Some prohibitions (not any related to deceptive practices) may not apply if the advertiser has the recipient's express affirmative consent to receive e-mail advertisements. However, consent can only be demonstrated where the recipient expressly consented to receive e-mail advertisements from that advertiser either in response to a clear and conspicuous request for consent or at the recipient's own

initiative. Finally, e-mail messages sent to facilitate, complete or confirm a commercial transaction are exempt. This includes messages that reflect account statements, change of status or terms, product updates and upgrades, warranty information, safety or security information, subscriptions, memberships and other similar commercial relationships. However, this exemption does not provide marketers with a broad "existing business relationship" exemption. Thus, before undertaking any campaign, you should consult with your legal counsel to ensure compliance with all new developments in the law.

DIRECTV expects you to keep, maintain and utilize the required "opt-out" list to prevent sending messages to consumers who have expressed a desire not to be contacted via e-mail. You must have in place, and train all employees involved in this marketing activity on, written policies and procedures to ensure that all requests – including any that may be made to your postal address – are timely addressed and honored. These written policies and procedures must be made available to DIRECTV upon request.

To the extent you claim exemption from the law due to affirmative consent or completion or confirmation of a commercial transaction, you must preserve and maintain proof of such exemption status. Such proof must be made available to DIRECTV upon request.

Failure to comply or produce materials to DIRECTV upon its request may result in termination of your Agreement.

#### *B. Banner Ads and Other Website Marketing*

State, federal, and foreign laws generally related to advertising apply in both the online and off-line environments. Accordingly, when using or operating banner ads or otherwise advertising on websites or through other Internet channels, you should consult with your legal counsel to ensure compliance with all such laws. This includes ensuring that the content of any banner ads or other advertisements contain no misrepresentations or misleading statements about DIRECTV-branded products or services, and that all material information is clearly and conspicuously disclosed to consumers, including a clear and conspicuous disclosure in close proximity to any offer of the material limitations and requirements associated with such offer.

Your legal counsel can provide information and advice about other required disclosures in the on-line environment, but at a minimum, your on-line marketing should clearly and conspicuously provide your identity and contact information (to avoid confusion that the advertising was placed by DIRECTV), the nature of the products and services being offered, and the types of information (including personally identifiable information) that you collect from and about consumers.

With regard to the collection of information, you should be certain to disclose the types of information collected passively from the consumer, such as through cookies, Internet Protocol ("IP") addresses, web bugs, and other passive collection devices. Independent retailers should also fully disclose to consumers information about any third parties that help support, or otherwise obtain information from, the independent retailer's Internet marketing activities (such as DoubleClick, Coremetrics, etc.). You should realize that the failure to fully disclose and otherwise properly handle information collection, use, and disclosure might violate any number of applicable state, federal, and/or foreign consumer protection and privacy laws. DIRECTV has the right to immediately terminate its Agreement with any independent retailer that DIRECTV believes might have engaged in illegal or inappropriate banner or other website advertising.

Independent retailers must also comply with all applicable laws and intellectual property rights when using search engines and search engine listings. In particular, independent retailers must observe all such laws and rights protecting DIRECTV's company name, logos and/or trademarks. Independent retailers must not use DIRECTV's marks in their web addresses or metatags, and must identify themselves as independent retailers that sell DIRECTV-branded products.

*Finally, it is important to note that internet marketing cannot be used to generate consumer "inquiries" for subsequent telemarketing activities unless the e-mail, web-form, etc., clearly and conspicuously identifies your business and you obtain the consumer's demonstrable consent to receive a follow-up telephone call from you about DIRECTV products or services. For more information on this topic, see Section III.D on Telemarketing below.*

#### **IV. Cooling-Off Laws**

Federal, state and local jurisdictional laws govern the sale of goods or services at a consumer's place of residence. Under the FTC Rule, 17 CFR 429, a buyer in a home solicitation sale must be given a "cooling off" period which consists of three business days during which he or she may cancel an agreement without obligation. The seller may not collect or retain any cancellation fee. The Federal Rule defines a door-to-door sale as the sale of consumer goods or services in which seller or his representative solicits the sale (including those in response to buyer invitation) and the buyer's agreement or offer to purchase is made at a place other than the seller's place of business. Many states have similar statutes which address sales that result from direct contact by the supplier at a place other than the seller's place of business. It is important to note that several state home solicitation statutes also apply to sales that are conducted through telemarketing activities. Various local ordinances also apply to such sales activities.

If you are conducting sales of goods or services which fall under these criteria, you should consult your legal counsel before undertaking any home solicitation marketing activities. At a minimum, in order to comply with the FTC Rule, state statutes and local ordinances, you must provide the buyers with all required documents and information. You should use a signed agreement or offer to purchase form that is signed by the buyer. This form should include a statement regarding the buyer's right to cancel. Several states also require that the seller provide a Notice of Cancellation form that the buyer can complete and submit to the seller in the event he wishes to cancel the contract. One example of these forms is provided below; however, you must consult your legal counsel to ensure compliance with varied federal, state and local laws:

##### **BUYER'S RIGHT TO CANCEL**

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

##### **NOTICE OF CANCELLATION**

(Date)

You may CANCEL this transaction, without any Penalty or Obligation, within THREE BUSINESS DAYS from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if

you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this Cancellation Notice or any other written notice, or send a telegram, to [Name of Seller], at [address of seller's place of business] NOT LATER THAN MIDNIGHT OF [date].

I HEREBY CANCEL THIS TRANSACTION. (Date) \_\_\_\_\_  
Buyer's Signature \_\_\_\_\_

*V. Complaints*

If DIRECTV receives any individual complaints regarding your Internet Marketing, telemarketing practices, home solicitation practices, or any other related matter, we will forward such complaints to your attention. We require that you respond appropriately and in a timely fashion to the individuals concerned. We also require that you forward to DIRECTV a complete copy of your response and all related documents, records, and/or correspondence. With respect to any complaints that you receive directly from individuals about your practices, we expect that you will respond appropriately and in a timely fashion. We also expect that, upon our request, you will provide us with access to the individual complaints you have received, as well as a complete copy of your response and all related documents, records, and/or correspondence.

In the event that you receive an inquiry or complaint from a regulatory or government authority, we require you to immediately forward the complaint to us, along with all related documents, records, and correspondence, and a written explanation of what occurred. We also expect that you will allow us to participate in the response to any such government inquiry or investigation, to the extent that we wish to participate.

Thank you in advance for your attention to these matters and for your responsible promotion of DIRECTV-brand DBS Products and Service in a positive and lawful manner.

**SCHEDULE 5.4**

**EQUIPMENT LEASE ADDENDUM**

Thank you for choosing DIRECTV. By signing this Equipment Lease Addendum, you agree to abide by the following terms and conditions. You wish to lease from DIRECTV, and DIRECTV is willing to lease to you, one or more DIRECTV new or reconditioned receivers, hereinafter collectively referred to as the "equipment," necessary to access DIRECTV's services. **THIS EQUIPMENT LEASE ADDENDUM CONTAINS THE TERMS AND CONDITIONS FOR THE LEASE BY DIRECTV OF THE DIRECTV EQUIPMENT TO YOU, BUT MUST BE READ TOGETHER WITH THE DIRECTV CUSTOMER AGREEMENT (A COPY OF WHICH IS PROVIDED TO YOU WITH YOUR FIRST BILL AND IS AVAILABLE AT WWW.DIRECTV.COM) FOR ALL OF THE TERMS AND CONDITIONS REGARDING THE PROVISION OF THE SERVICES AND YOUR RIGHT TO USE THE DIRECTV EQUIPMENT. YOU UNDERSTAND AND AGREE THAT YOU HAVE NOT PURCHASED THE DIRECTV EQUIPMENT, YOU DO NOT OWN THE DIRECTV EQUIPMENT AND THE DIRECTV EQUIPMENT MUST BE USED AND RETURNED TO DIRECTV STRICTLY IN ACCORDANCE WITH THE TERMS OF THIS EQUIPMENT LEASE ADDENDUM AND THE DIRECTV CUSTOMER AGREEMENT.**

☐ Check here if you are a new DIRECTV customer  
customer

☐ Check here if you are a current DIRECTV  
obtaining one or more additional DIRECTV  
receiver(s)

**PROGRAMMING AGREEMENT.** Within 30 days of provision of DIRECTV equipment to you, you agree to activate any DIRECTV® TOTAL CHOICE programming package (valued at \$44.99 per mo. or above), or any DIRECTV PARA TODOS® programming package (valued at \$29.99 per mo. or above); or any qualifying international services bundle, which bundle shall include either the DIRECTV® BASIC programming package (valued at \$9.99 per mo.) or the DIRECTV PREFERRED CHOICE™ programming package (valued at \$29.99 per mo.) together with any WorldDirect™ international-language service. DVR service activation (\$5.99/mo.) required for DVR and HD DVR system purchases. In certain markets, programming and pricing may vary. **DIRECTV PROGRAMMING AND PRICING SUBJECT TO CHANGE AT ANY TIME.**

**PROGRAMMING COMMITMENT.** The programming package(s) must be maintained for a period of not less than (a) twelve (12) consecutive months (for accounts with only standard receiver(s)), or (b) twenty-four (24) consecutive months (for accounts with advanced product(s)/receiver(s)-digital video recorder (DVR), high definition receiver (HD) or high definition digital video recorder (HD DVR), including additional DIRECTV receiver(s)). After you have fulfilled your agreement to the required programming package(s), you are not obligated to continue your subscription to DIRECTV programming for any specific duration. Current DIRECTV customers may activate additional receivers with their existing DIRECTV programming package. **THIS PROGRAMMING COMMITMENT IS SEPARATE AND DIFFERENT FROM ANY OTHER PROGRAMMING COMMITMENT YOU MAY HAVE MADE WITH DIRECTV AND IS FULLY ENFORCEABLE UNDER THESE TERMS.**

**MONTHLY LEASE FEE.** For a new DIRECTV customer, you will be charged a monthly lease fee in the amount of \$4.99 per 2<sup>nd</sup> and each additional receiver leased by you in your household. For a current customer, you will be charged a monthly fee in the amount of \$4.99 for each receiver leased by you in your household, unless you replace all of your owned-equipment with leased equipment, in which case, the monthly lease fee will be waived for the 1<sup>st</sup> receiver. Applicable taxes will apply. **LEASE FEE SUBJECT TO CHANGE AT ANY TIME.**

**CARE OF EQUIPMENT.** You are responsible for the loss of or any damage to the DIRECTV equipment that you have leased from DIRECTV. You shall have no right to sell, give away, transfer, pledge, mortgage, remove, relocate, alter or tamper with the DIRECTV equipment at any time. **DIRECTV PROVIDES YOU THE DIRECTV EQUIPMENT AS IS, AND MAKES NO WARRANTY, EITHER EXPRESSED OR IMPLIED, REGARDING THE DIRECTV EQUIPMENT PROVIDED TO YOU. ALL SUCH WARRANTIES INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY EXCLUDED. DIRECTV IS NOT RESPONSIBLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES RELATING TO THE DIRECTV EQUIPMENT PROVIDED TO YOU.** In the event the DIRECTV equipment you have leased from DIRECTV does not operate, contact DIRECTV at 1-800-531-5000.

**CONSEQUENCES OF YOUR FAILURE TO ACTIVATE PROGRAMMING OR SATISFY YOUR PROGRAMMING COMMITMENT.** If you fail to activate your DIRECTV equipment within 30 days of DIRECTV's provision of the DIRECTV equipment to you, you agree that DIRECTV or an authorized DIRECTV Retailer may charge you a fee, as liquidated damages, of \$150 for each receiver that is not activated. If you fail to maintain your minimum programming commitment, you agree that

DIRECTV may charge you a prorated fee of up to \$150 for standard receivers and up to \$300 for advanced products/receivers (e.g., DVR, HD, HD DVR, etc.).

**RETURN OF DIRECTV EQUIPMENT.** If you cease to be DIRECTV's customer for any reason (whether voluntarily or involuntarily) or if you decide to disconnect/cancel/terminate your DVR service (if you are leasing a DVR Receiver), you must call DIRECTV within seven (7) days after the termination of your DIRECTV programming services or DVR service, as applicable, to (i) make arrangements for DIRECTV to pick up all of your DIRECTV equipment; or (ii) obtain information from DIRECTV necessary to arrange for a ground or air freight service to pick up and deliver all of your DIRECTV equipment to DIRECTV. You acknowledge that the DIRECTV equipment belongs to DIRECTV and the DIRECTV equipment, including the access card inserted into each receiver, must be returned to DIRECTV in good working order, normal wear and tear excepted. In the event that all of the DIRECTV equipment is not returned to DIRECTV within thirty (30) days of the termination of your DIRECTV programming services or is damaged when it is returned to DIRECTV, you agree to pay DIRECTV the sum of \$55 per each DIRECTV standard receiver; \$200 for each DIRECTV DVR Receiver; \$240 for each DIRECTV HD Receiver; or \$470 for each DIRECTV HD DVR Receiver that is not returned to DIRECTV or that is damaged when it is returned to DIRECTV as compensation for a portion of the expenses incurred by DIRECTV in establishing your account and providing you the DIRECTV equipment for your use. Visit [DIRECTV.com](http://DIRECTV.com) or call 1-800-531-5000 for details.

**ARBITRATION.** You and DIRECTV agree that both parties will resolve any dispute arising under this Equipment Lease Addendum, the DIRECTV Customer Agreement or any other addendum thereto, or regarding your DIRECTV programming service, through binding arbitration as fully set forth in the DIRECTV Customer Agreement.

**SCHEDULE 8**

**STANDARD PROFESSIONAL INSTALLATION GUIDELINES**

DIRECTV has defined specific guidelines that clearly identify what a standard professional installation should include. The details are communicated in our Standard Professional Installation Guidelines (SPIG) document and this is available for viewing in the "Communications" room of our retailer website. The path follows:  
"Communications, Product Information, Hardware and Installation, Standard Professional Installation Guidelines."